

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2008-372-C - ORDER NO. 2008-801
DECEMBER 9, 2008

IN RE: Petition of Progress Telecom, LLC for)	ORDER APPROVING
Approval of the Transfer of Assets and)	TRANSFER OF ASSETS
Customers of South Carolina to Level 3)	AND CUSTOMERS AND
Communications, LLC and to Cancel)	CANCELLING
Progress Telecom's Certificate of Public)	CERTIFICATE
Convenience and Necessity)	

Pursuant to S.C. Code Ann. § 58-9-310 (Supp. 2007), this matter comes before the Public Service Commission of South Carolina ("Commission") on a petition from Progress Telecom, LLC ("Progress") to transfer its assets and customers to Level 3 Communications, LLC ("Level 3") and to cancel its Certificate of Public Convenience and Necessity. Progress is a facilities-based telecommunications company, headquartered in Broomfield, Colorado, with authority to provide intrastate local exchange and exchange access telephone service in South Carolina.¹ Level 3, the parent company of Progress, is a facilities-based telecommunications company that has authority to provide competitive intrastate local exchange services and interexchange

¹ Progress's Certificate of Public Convenience and Necessity was originally issued to CaroNet, Inc. ("CaroNet") by Order No. 1995-1681(November 14, 1995) in Docket No. 1995-993-C. On September 17, 1998, by Order No. 98-722 in Docket No. 1998-259-C, the Commission approved the transfer of CaroNet's Certificate to Interpath Communications, Inc. ("Interpath"). On October 24, 2000, the Commission issued Order No. 2000-864 approving a name change from Interpath to CaroNet. On August 12, 2002, the Commission approved the transfer of CaroNet's Certificate to Progress Telecom Corporation. On November 17, 2003, Progress notified the Commission that the company had been converted to a limited liability company.

services in South Carolina.² Notice of the proposed transfer was published on October 4, 2008, in *The State* and *The Greenville News* newspapers, which serve the areas affected by the request, however no interested persons have filed a protest or moved to intervene.

According to the petition, Level 3 has been integrating the networks and systems of its various subsidiaries, including Progress, for several years. As a result, the independent existence of many of Level 3's certificated subsidiaries has become *pro forma*. In order to streamline and better organize the business and operations of Level 3's various operating companies, Progress will be merged into Level 3, and its South Carolina customers will then become Level 3 customers.

Additionally, Progress states the transfer will have no adverse impact on its customers, and these customers will continue to receive their existing services over the same facilities and at the same rates, terms, and conditions that they currently experience. Any future changes in the rates, terms, and conditions of service will be made consistent with Commission requirements. The bills Progress customers receive prominently identify it as a Level 3 company and, as such, the transfer will not cause customer confusion. Progress asserts that immediately following the transfer, existing customers will continue to receive service under the same billing system, and the proposed transfer will not involve any interruption or discontinuation of service or customer terminations.

Level 3 states it will provide advance written notice to the affected customers at least thirty (30) days prior to the transfer to ensure a seamless transition and to avoid customer confusion or inconvenience. Level 3 also asserts it will file amended tariffs to

² Level 3's Certificate of Public Convenience and Necessity was issued by Order No. 98-855 (November 2, 1998) in Docket No. 98-353-C. The record indicates Level 3 purchased all of Progress' stock in 2006.

include both all grandfathered legacy Progress services and all legacy Progress services that will continue to be marketed by Level 3. Lastly, Level 3 declares that customers transferred from Progress to Level 3 will not experience any change in their telecommunications services, and the only change will be their new provider.

We find that customers of Progress will not experience any change in their telecommunications services other than a change in service provider. We also find that allowing Level 3 to integrate its network in South Carolina with its subsidiary Progress would facilitate streamlining and better organize its business operations. As a result, it is in the public interest to transfer its assets and customers to Level 3 and cancel its Certificate of Public Convenience and Necessity.

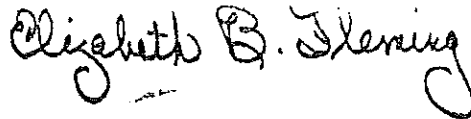
IT IS THEREFORE ORDERED:

1. The petition of Progress to transfer its assets and customers to Level 3 is approved.
2. Progress and Level 3 shall provide advance written notice to the affected customers at least thirty (30) days prior to the transfer to ensure a seamless transition and to avoid customer confusion or inconvenience.
3. Level 3 shall file amended tariffs to include both all grandfathered legacy Progress services and all legacy Progress services that will continue to be marketed by Level 3.
4. Future changes in the rates, terms, or conditions of service must be made in accordance with Commission requirements.

5. Since Progress's customers will become Level 3 customers, Progress no longer needs its Certificate of Public Convenience and Necessity, and it is accordingly cancelled.

6. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



Elizabeth B. Fleming, Chairman

ATTEST:



John E. Howard, Vice Chairman

(SEAL)